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SOVIET BLOC PARTICIPATION
IN UN TECHNICAL ASSISTANCE PROGRAMS
1953-63

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SOVIET BLOC PARTICIPATION
IN UN TECHNICAL ASSISTANCE PROGRAMS
1953-63

Although Khrushchev asserted categorically that the USSR "would not give a kopeck" to joint East-West programs to aid less developed countries, the USSR and other Communist countries have made an increasing, although still modest, contribution to the technical assistance programs of the UN. During 1953-63 the Soviet Bloc (1) pledged US \$25.7 million, * or about 4 percent of the total of \$597 million pledged to the UN Special Fund and the Expanded Program of Technical Assistance (EPTA); (2) provided 2 percent of the more than 33,300 technicians serving under the UN regular and expanded programs; and (3) offered 5 percent of the more than 62,300 fellowships awarded through the UN. ** Although the "tied" nature of the Bloc's predominantly nonconvertible contribution has hampered the most effective use of such funds by the UN, it has made, on the other hand, Bloc-aided projects readily identifiable and, in a propaganda sense, has served as a useful adjunct to Bloc bilateral aid programs.

1. UN Technical Assistance

Assistance in the form of technical experts, fellowships, and equipment and supplies is provided as part of the regular work programs of the UN Secretariat and the specialized agencies as well as under EPTA and the UN Special Fund. The costs of assistance under the regular programs are included in the regular budgets of the specialized agencies involved -- such as the Bureau of Technical Assistance Operations (UNTAO); the International Labor Organization (ILO); the World Health Organization (WHO); the UN Educational, Scientific and Cultural Organization (UNESCO); and the International Atomic Energy Agency (IAEA). The regular programs are financed from assessments levied on the member governments for the UN budget and are not indicated by contributing countries.

* Values are given in US dollars, but actual contributions are made in nonconvertible rubles.

** By comparison, the US pledged 44 percent of the total pledges to the Special Fund and EPTA, provided 12 percent of the total number of technicians, and offered 8 percent of the fellowships under UN programs during 1953-63.

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The Expanded Program and the Special Fund, on the other hand, are financed from voluntary contributions pledged annually by the member governments at a special pledging session. Contributions usually are made in the currency of the donor, sometimes with provision for partial or full conversion to other currencies. Governments are urged to make convertible as much of their contribution as possible. EPTA and the Special Fund are administered by the same agencies that administer the regular programs.

2. Expanded Program for Technical Assistance (EPTA)

Although the regular technical assistance programs have been part of the work of the UN and its specialized agencies since 1946, the Expanded Program did not come into being until 1949. Its purpose is to assist less developed countries in developing their national economies and to insure the attainment of higher levels of economic and social welfare for their populations. Such assistance includes the provision of technical experts, fellowships, and a very small component of supplies and equipment. EPTA finances approximately 1,500 separate projects each year, many of which are of very small scope, and its expenditures include both project costs and costs for administration and operational services.

The Communist countries refused to participate in the program until 1953, when the USSR, in an abrupt reversal of policy, announced that it would contribute \$1 million to EPTA for 1953 (see Table 1). The Soviet contribution, however, was made in nonconvertible rubles, that had to be spent in the USSR for Soviet equipment, Soviet technicians, or fellowships for study in the USSR. Related administrative services (shipping charges, travel, and the like) that could not be furnished by the USSR had to be paid from the contributions of other countries. Fear that such restricted Soviet aid might be used to promote Communist activities made many less developed countries reluctant to request or accept Soviet aid. A currency utilization problem developed, and for a time the Soviet rubles accumulated in unused balances in EPTA's special account.

India was the first country to request Soviet aid through the UN by contracting for several Soviet engineers through EPTA, and India has been the largest recipient of Soviet aid given through the UN. The bulk of Soviet contributions to EPTA has been utilized in India because of the latter's readiness to accept Soviet specialists and

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equipment for large projects such as the Bombay Institute of Technology and the Statistical Institute of Calcutta. During the period 1955-62, more than 70 percent of Soviet funds in EPTA were committed to South Asian countries and about 60 percent to projects in India.

During the period 1953-63, contributions pledged to EPTA by the Soviet Bloc accounted for \$18.5 million, or 5 percent of the total of \$366.4 million that was pledged. The same countries provided 644 technicians, or 3 percent of the total of 24,900 technicians serving under EPTA from 1953 through 1963, and 1,900 fellowships, or 7 percent of the total of 27,400 fellowships awarded under EPTA from 1955* through 1963 (see Table 2).

3. Special Fund

The UN Special Fund was established by the General Assembly in October 1958 and became fully operative during 1960. Although it is basically an extension of EPTA that is designed to provide further means for facilitating new capital investment, the purpose of the Special Fund is to provide systematic and sustained assistance in fields essential to the integrated technical, economic, and social development of the less developed countries. Unlike EPTA, however, the Special Fund concentrates its finances on a relatively small number of larger projects that involve a larger component of supplies and equipment. It also finances feasibility studies and other preinvestment surveys.

From 1959 through 1963 the Soviet Bloc pledged \$7.2 million, or 3 percent of the total of \$230.4 million pledged to the Special Fund. Bloc pledges to EPTA and the Special Fund were equal until 1961, when the USSR, the Ukraine, and Byelorussia doubled their contributions to EPTA. Contributions to the Special Fund have remained at the same level, reflecting the displeasure of the USSR at its failure to shape the activities of the Fund and its complaints that too many funds are allocated to preinvestment studies and not enough for industrial plants.

4. Soviet Aid

Nonconvertible currencies have been a perennial problem for the UN aid programs because they require that assistance be tailored to fit what is available rather than what is needed. The net effect is the nationalizing of UN activities. Although discounting the inability of

* No Soviet Bloc fellowships were awarded under EPTA until 1955.

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the UN to dispose of its accumulated rubles and Western criticism of the difficulties involved in using nonconvertible currencies, the USSR in 1956 offered to make 25 percent of its annual contributions to EPTA in convertible currency. Similarly, Moscow has made one-fourth of its contribution to the Special Fund convertible. It was stipulated, however, that such convertible funds could be used only for travel, shipping, and other administrative expenses connected with equipment or services provided by the USSR.

The USSR, however, has continued to assert the desirability of making contributions in national currency* -- with the obvious objective of retaining its control over the utilization of its own contribution. Because rubles can be spent only in the USSR, Moscow maintains an effective veto over any aid request by restricting the use of ruble funds by the UN to equipment and services that it is willing to deliver. It remains manifestly unwilling to finance non-Communist technical experts or fellowships for study in non-Bloc countries.

Since 1961 the USSR has maintained that the regular program of technical assistance should not be defrayed out of the compulsory contributions to the UN budget by member countries, which must be in convertible currencies. In 1963 the USSR announced that it would thereafter submit that proportion of its contribution to the UN budget which was allocated to the regular program in rubles. More recently the USSR has called for the merging of the regular and expanded programs on the ground that technical assistance should be voluntary on the part of the donor and that all contributions should be in national currencies.

Moscow has sought to encourage the utilization of its ruble contribution on readily identifiable projects that can be presented by Soviet propagandists as examples of Soviet, rather than UN, aid. To prevent the accumulation of large ruble holdings, the Soviet contribution has been used to finance large projects requiring large numbers of Soviet experts. Eighty-five percent of the technicians for the UN-sponsored Technological Institute in Bombay, for example, were from the USSR, and EPTA plans to use Soviet experts for 70 percent of the technicians required on two new projects in India. A \$1.6 million FAO project in the UAR has utilized only Soviet equipment and experts. While the participating UN organizations do not "manufacture"

* The Ukraine, Byelorussia, and Hungary have asserted that they will pay for technical assistance only in their national currencies.

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special projects to utilize accumulated ruble balances, rubles unused by one agency are often released to another to facilitate their utilization.

The USSR, in general, has utilized UN programs to display its wares and technical expertise and to stimulate interest in bilateral requests from the less developed countries. The USSR has sought the auspices of the UN aid programs to give aid to countries unwilling to sign bilateral agreements through fear of possible Communist penetration. That the Soviet plan sometimes has been successful suggests that the temptation to use rubles is great where the presence of Soviet technicians and equipment under the UN programs ostensibly presents no great political or philosophical problems and where ruble funds form an addition to aid funds otherwise available.

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Table 1

Pledges to EPTA and the Special Fund a/
1953-63

Thousand US\$												
	Cumulative Total	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Pledges to EPTA												
Total	366,412	22,321	25,021	27,626	28,829	30,813	31,048	29,420	33,994	41,794	45,396	50,150
Of which:												
US	170,271	12,767	13,862	15,000	14,415	15,261	13,966	11,723	14,463	17,552	19,642	21,620
Total Bloc	18,515	1,075	1,319	1,319	1,364	1,394	1,394	1,429	1,394	2,604	2,599	2,624
USSR b/ Other	16,275 2,240	1,000 75	1,175 144	1,175 144	1,175 189	1,175 219	1,175 219	1,175 254	1,175 219	2,350 254	2,350 249	2,350 274
Pledges to the Special Fund												
Total	230,410							25,823	37,072	41,383	53,623	72,509
Of which:												
US	94,564							10,329	14,829	16,553	21,959	30,894
Total Bloc	7,218							1,444	1,444	1,444	1,447	1,439
USSR b/ Other	5,875 1,343							1,175 269	1,175 269	1,175 269	1,175 272	1,175 264

a. Data are rounded to the nearest thousand.

b. Including separate pledges by the Ukraine and Byelorussia.

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Table 2

Bloc Technicians and Fellowships
Through the Regular and Expanded Programs of the UN
1953-63

		Units										
	Cumulative											
	Total	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963
Total technicians	33,299	1,757	1,584	2,004	2,895	3,183	3,144	3,215	3,225	3,739	3,871	4,682
Of which:												
US	4,128	306	229	256	427	423	386	382	396	458	428	437
Total Bloc	783	6	4	9	20	36	55	57	83	111	176	226
USSR	535	0	0	5	16	28	40	43	54	71	132	146
Other	248	6	4	4	4	8	15	14	29	40	44	80
Total fellowships	62,342	3,094	3,374	4,621	4,312	4,940	5,090	5,677	6,747	6,951	9,936	7,600
Of which:												
US	4,711	289	288	248	226	473	321	517	513	437	785	504
Total Bloc	2,811	0	0	17	123	111	153	207	487	393	805	515
USSR	1,872	0	0	17	104	95	125	127	309	247	536	312
Other	939	0	0	0	19	16	28	80	178	146	269	203

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